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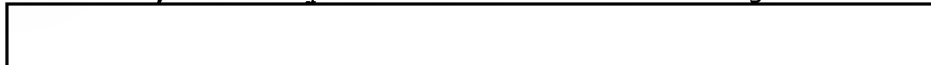
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Nigeria: General Ojukwu's departure from Biafra, in the face of a deteriorating military situation, will probably speed up what now appears to be the inevitable federal occupation of the secessionist enclave.

Ojukwu left Biafra yesterday morning, possibly for Ivory Coast or Gabon, after announcing on the radio that he was going in quest of peace. He evidently had concluded that the Biafrans could not stop an eventual federal drive into the enclave.

There are still within the enclave large numbers of Biafran troops in organized military units. Some of these troops may give up organized resistance in the wake of Ojukwu's departure, but they cannot be expected to surrender in large numbers. Most Biafrans, especially the soldiers, probably still genuinely fear that federal troops are bent on massacring them, despite newly repeated assurances to the contrary by General Gowon.

Ojukwu probably will try to achieve some kind of "peace" that the Biafrans can claim is not a surrender. The Nigerians can be expected to continue fighting at least until Biafra's airstrips are overrun, however, and may refuse to deal with Ojukwu at all.



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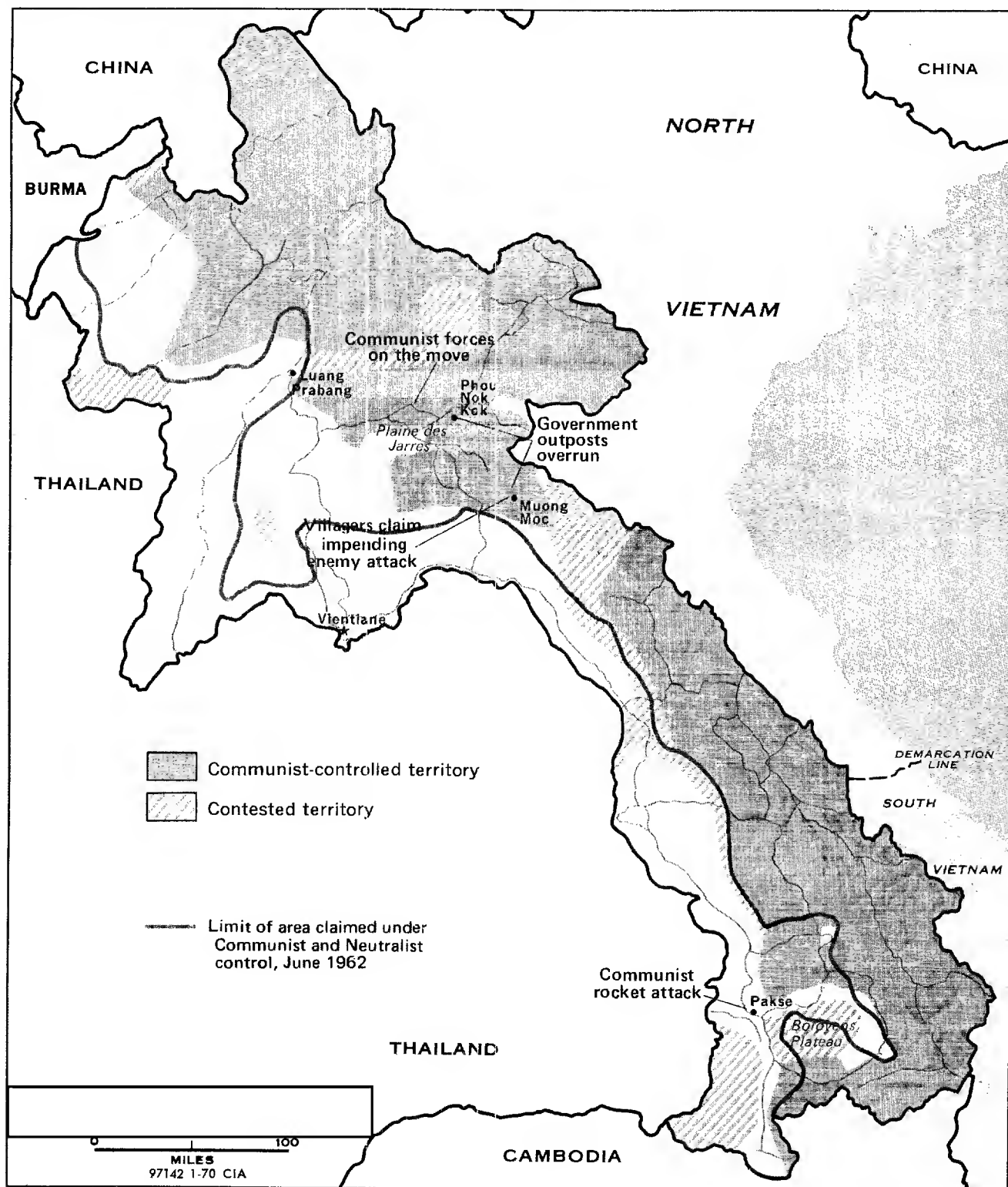
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LAOS: Communist Forces Score Gains in the North



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Laos: Communist forces have taken some important steps toward erasing gains made by the government during the rainy season.

On 9 January a multibattalion North Vietnamese force overran two of the three government outposts atop Phou Nok Kok, a strategic highpoint northeast of the Plaine des Jarres. Extremely poor weather conditions, which ruled out any close air support, probably contributed heavily to the government's inability to hold these key outposts. The enemy failed to capture the remaining position in a follow-up attack on 10 January, but its fall appears to be only a matter of time.

In addition, Communist forces appear to be preparing for a move against government positions defending the northern edge of the Plaine. Reports from government patrols indicate fresh enemy troops are now moving into this area.

East of the Plaine, North Vietnamese troops have overrun several guerrilla outposts used to harass Communist supply trails. According to local villagers, the North Vietnamese now plan to move against Muong Moc, the main guerrilla support base in this area.

In the south, there has been little significant military activity following the rocket attack against Pakse on 9 January. The impact area there appears to have been generally confined to the airfield, suggesting that the Communists were interested in military rather than civilian targets.

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Lebanon: The government faces a new crisis over fedayeen operations in southern Lebanon and subsequent Israeli reprisals.

A government announcement on 8 January that the Palestinian guerrillas had agreed to new restrictions on their operations in Lebanon has brought a sharp denial by a group of fedayeen organizations. The government statement claimed that the fedayeen had agreed not to fire at Israeli targets from Lebanese territory and had also agreed not to train terrorists inside Lebanese refugee camps. The Palestinian answer, as quoted by Damascus radio, denounced any such restrictions and called for continued Lebanese popular support of fedayeen efforts against Israel.

The government's efforts to enforce new restrictions on fedayeen activities are being undermined by recent Israeli raids against Lebanon. Lebanese Foreign Minister Majdalani told the US ambassador on Saturday that even though there had been no fedayeen attacks from Lebanon in four days, indiscriminate air attacks had continued. Majdalani added that the attacks had led the Lebanese to believe that Israel was planning ultimately to occupy parts of southern Lebanon.

The replacement of army commander in chief Bustani by the tough former commander of the southern district, General Jean Nujaym, may indicate the government's resolve to take a firmer line with the fedayeen. If the government attempts to force its new restrictions on the fedayeen, civil disturbances will be the likely result, bringing on a crisis of more serious proportions.

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USSR-Bulgaria: Moscow is increasing its surveillance over Sofia's trade with the West.

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cow's aid to Bulgaria this year will be in the form of a 350-million ruble credit, part of which will be in hard currency. The Bulgarians will be able to draw on this to make foreign purchases, but the USSR will do the actual buying of any equipment Bulgaria wishes to secure from hard-currency countries. Bulgaria is expected, therefore, to "show restraint" in making purchases in the West and is likely to substitute imports from Communist countries. Repayment to Moscow of both ruble and hard-currency debts will be made by Bulgarian exports.

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million in hard-currency aid was provided Bulgaria last year. This probably was used to pay some of the substantial hard-currency debts that Bulgaria had accumulated during the mid-1960s as a result of a credit buying spree in the West. Sofia has cut back on hard-currency purchases since 1967 and probably will continue to do so.

Bulgarian economic dependence on Moscow has increased during the past few years because of expanded cooperative raw material extraction and industrial manufacturing arrangements, and also because of an increase in bilateral trade. More than 60 percent of Sofia's foreign trade this year is expected to be with the USSR. This is a new high for recent years and reflects growing Bulgarian reliance on the USSR for those items--particularly raw materials--that are critical to Sofia's economic development program.

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India: Prospects for a record 1969-70 crop year are good because of exceptionally favorable weather conditions during the third quarter of 1969.

Only three limited areas in India recorded a deficiency of rainfall during the official southwest monsoon period (1 June to 30 September). The autumn crop, normally responsible for about two thirds of the annual foodgrain harvest, may therefore show an increase of as much as 5.5 million tons over last year's near-record yield. This prospect and the favorable sowing conditions expected for the spring 1970 crop in most areas of the country are encouraging predictions of a total foodgrain crop for 1969-70 of over 100 million tons--a national record.

This year's optimistic projection does not mean that India's food problems have been solved, however. Despite considerable expenditures on wells, water storage facilities, and irrigation projects, the country is still heavily dependent on the monsoons. The progress in implementing an effective national irrigation program--vital to solving the food supply problem--has been slow. India is not likely to advance quickly enough on all fronts to meet its target of food self-sufficiency by 1974. The failure to achieve this goal, combined, among other things, with the rapidly growing population, will require the continuation of foreign food imports.

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Mexico: A political crisis in the western state of Durango may stimulate increased student agitation in Mexico.

Impeachment proceedings against Durango Governor Alejandro Paez Urquidi were precipitated by a student takeover of the state palace on 9 January, following a barrage of allegations of graft and corruption on Paez' part. President Diaz Ordaz refused to support Paez with federal troops, apparently wary of aligning the national leadership with an unpopular cause during the presidential election campaign. In 1966 an earlier governor of Durango was ousted when students took up the issue of popular resentment against him.

The student movement in Durango is likely to add impetus to a university strike in progress in Mexico City. There, protests followed a prison riot on 1 January that resulted in the wounding of several political prisoners, including student leaders jailed for their part in the 1968 student riots.



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The government is anxious to ensure the peaceful succession of Luis Echeverria to the presidency after the pro forma July elections, and will be tough if student agitation moves past tolerable limits. Reportedly, Mexico City students are calling for sympathy strikes around the country on 14-15 January.



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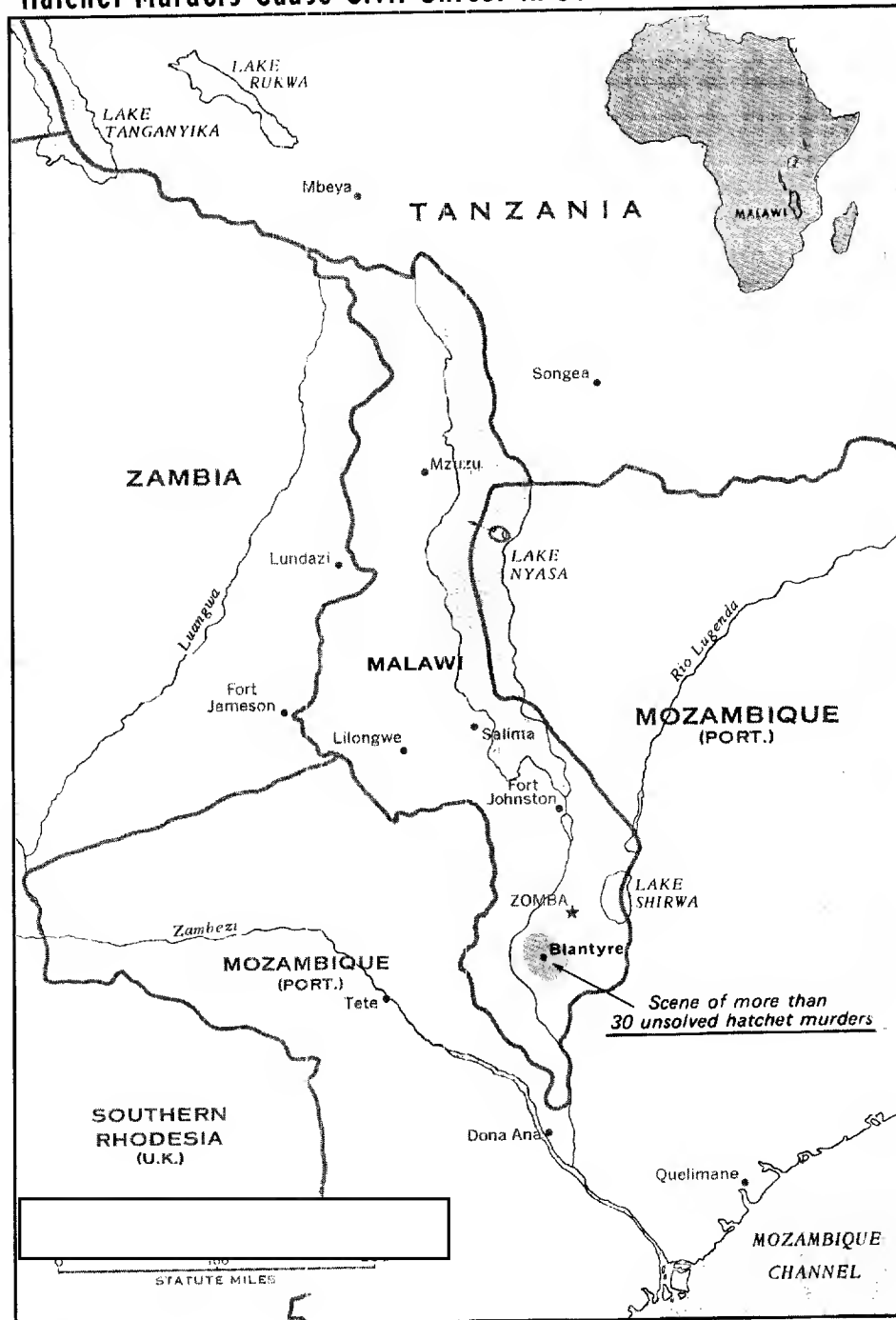
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Hatchet Murders Cause Civil Unrest in Southern Malawi



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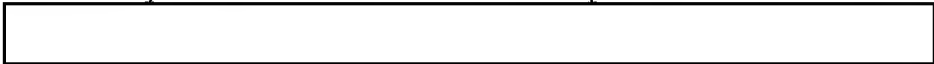
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Malawi: Civil unrest in the Blantyre area is presenting President Banda with a potential crisis.

In the past six months, there have been more than 30 unsolved hatchet murders in and around Blantyre, Malawi's largest city. The latest attack not only resulted in two more deaths and seven injuries, but touched off rioting that necessitated intervention by police and army units. Local tensions will probably not subside until the killers are caught. The situation is complicated by superstitions linking the murders to a government scheme to collect blood to pay off its debts to South Africa. The authorities' failure to apprehend the killers has reinforced belief in these superstitions.

The civil unrest around Blantyre is the most recent manifestation of a general increase in discontent over the past year. Local officials of the ruling Malawi Congress Party have become particularly unpopular in the southern districts because they have forced area residents to buy party membership cards and to donate gifts for party functions. Their strong-arm tactics resulted in serious rioting and several deaths last September. Other long-standing problems of overpopulation, unemployment, and extreme poverty have added to the unrest.

The Banda government has been put on the defensive by the rising violence. Additional murders could spark widespread civil disturbances that the small security forces would be hard pressed to control.



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NOTE

East Germany - Congo (Brazzaville): The two countries agreed on 8 January to establish diplomatic relations at the legation level, according to East German news media. Brazzaville's agreement makes it the first black African state to recognize East Germany and brings to seven the number of non-Communist states that have recognized Pankow since April 1969. Other African countries in which the East Germans have campaigned to obtain recognition include Guinea, Ghana, and Sierra Leone, but there is no evidence at this time that any of these countries will in the near future establish diplomatic relations with Pankow. Bonn is not likely to retaliate by severing its relations with Brazzaville, but it could invoke some form of reprisal.

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